

Message Text

UNCLASSIFIED

PAGE 01 CALGAR 00328 222316Z

10

ACTION EUR-12

INFO OCT-01 ISO-00 FEA-01 ERDA-07 AID-05 CEA-01 CIAE-00

CIEP-02 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-04 USIA-15 SAM-01 OES-06

SP-02 SS-15 STR-04 TRSE-00 ACDA-10 PA-02 PRS-01 /120 W

----- 111981

R 222300Z JUL 76

FM AMCONSUL CALGARY

TO SECSTATE WASHDC 1732

DEPT OF COMMERCE WASHDC

INFO AMEMBASSY OTTAWA

UNCLAS CALGARY 328

E.O. 11652: N/A

TAGS: ECEM, ENRG, CA

SUBJ: FOUR COMPANY AGREEMENT REACHED ON ALBERTA

PETROCHEMICAL PROJECT

REF: 76 CALGARY 238, 76 CALGARY 38, 76 CALGARY A-72

1. CONSTRUCTION HAS COMMENCED ON THE FIRST PHASE OF A DOLS
1.26 BILLION PETROCHEMICAL MANUFACTURING COMPLEX IN ALBERTA,
FOLLOWING LAST WEEKS AGREEMENT AMONG THE ALBERTA GAS TRUNK
LINE LTD., THE ALBERTA GAS ETHYLENE CO. LTD. (A SUBSIDIARY
OF AGTL), KOW CHEMICAL OF CANADA LTD., AND DOME PETROLEUM LTD.

2. THE PROJECT IS BASED ON THE MANUFACTURE OF ETHYLENE FROM
THE ETHANE COMPONENT OF ALBERTA NATURAL GAS. A DOLS 350
MILLION ETHYLENE MANUFACTURING PLANT CURRENTLY IS UNDER
CONSTRUCTION AT JOFFRE, ALBERTA, 12 MILES EAST OF RED DEER.
THE PLANTS INITIAL CAPACITY WILL PRODUCE 1.2 BILLION LBS.
OF ETHYLENE ANNUALLY, OF WHICH ALL BUT 50 MILLION LBS. WILL
BE PURCHASED BY DOW CHEMICAL FOR USE IN ALBERTA. THE REMAINING
50 MILLION LBS. NOT COMMITTED BY DOW WILL BE CONSUMED IN
OTHER ALBERTA DERIVATIVE MANUFACTURING VENTURES.

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 CALGAR 00328 222316Z

EM THE AGREEMENT REACHED BY THE FOUR COMPANIES ALSO CONCERNS THE CONSTRUCTION OF PIPELINES TO TRANSPORT ETHANE TO JOFFRE (DOLS 40 MILLION), AND THE COCHIN PIPELINE TO TRANSPORT SURPLUS ETHYLENE AND ETHANE TO EASTERN CANADA AND THE UNITED STATES (DOLS 320 MILLION). OTHER ELEMENTS OF THE OVERALL DEVELOPMENT INCLUDE FACILITIES TO MANUFACTURE VINYL CHLORIDE MONOMER AND ETHYLENE EOXIDE-ETHYLENE GLYCOL FORM ETHYLENE IN THE FT. SASKATCHEWAN AREA (DOW, DOLS 300 MILLION), AND A PLANT TO FURTHER PROCESS THE VINYL CHLORIDE MONOMER INTO POLYVINYL CHLORIDE IN THE FT. SASKATCHEWAN AREA (DIAMOND SHAMROCK CANADA LTD., AND ALBERTA GAS TRUNK LINE, DOLS 50 MILLION). IN ADDITION, NEGOTIATIONS AMONG COMPANIES INVOLVED IN THE EXTRACTION OF ETHANE FROM ALBERTA S NATURAL GAS STREAMS REPORTEDLY ARE AT AN ADVANCED STAGE. CAPITAL COST OF THESE PROJECTS WILL BE APPROX. DOLS 200 MILLION, AND THE EXTRACTION FACILITIES WILL BE INSTALLED AT EDMONTON, EMPRESS, AND COCHRANE, ALBERTA.

4. THE ALBERTA GOVERNMENT STATES THAT EQUIPMENT AND LABOR MUST BE ALBERTAN WHEREVER POSSIBLE. HOWEVER SOME OF THE MORE HIGHLY SPECIALIZED EQUIPMENT WILL BE IMPORTED FROM THE UNITED STATES. MUCH OF THE ENGINEERING PROCESSING PACKAGE WILL BE PREPARED IN HOUSTON, AND SUCH ITEMS AS COMPRESSORS AND OTHER SIMILAR PRODUCTS WILL BE OF UNITED STATES ORIGIN. INQUIRIES FROM POTENTIAL U.S. SUPPLIERS SHOULD BE DIRECTED TO MR. A.G. WARKE, VICE PRES., ALBERTA GAS ETHYLENE CO. LTD., BOX 9150, BOW VALLEY SQUARE NO. 2, 205 - AVENUE S.W., :-)&-46, ALBERTA T2P 2W4.
HALL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROVINCE, AGREEMENTS, PETROLEUM PRODUCTION, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 22 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976CALGAR00328
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760283-0528
From: CALGARY
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760734/aaaabczq.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 CALGARY 238, 76 CALGARY 38, 76 CALGARY A-72
Review Action: RELEASED, APPROVED
Review Authority: hackerp0
Review Comment: n/a
Review Content Flags:
Review Date: 16 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 MAR 2004 by ThomasVJ>; APPROVED <06 JAN 2005 by hackerp0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FOUR COMPANY AGREEMENT REACHED ON ALBERTA PETROCHEMICAL PROJECT
TAGS: ECEM, ENRG, CA, ALBERTA GAS TRUNK LINE, ALBERTA GAS ETHYLENE CO, KOW CHEMICAL OF CANADA, DOME PETROLEUM CO
To: STATE
COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006